

September 4, 2007

## **FINANCE COMMITTEE REPORT**

A Finance Committee meeting was held Tuesday, September 4, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Harrison, Hobbs, Summers, Moore, Wolf, Wozniak

Others Present: County Judge Gary Black, County Attorney Robin Green, Circuit Clerk Brenda DeShields, Travis Harp, Richard McComas, Dennis Cottrell, Kathy Bannister, Jim Ecker

Media: Scarlet Simms – Morning News; Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

### **PUBLIC COMMENTS:**

None

#### **1. County Attorney/Grants Administrator Reports**

No reports.

#### **2. Circuit Clerk: Software Budget Increase**

Comptroller Richard McComas stated that the software upgrade in the Circuit Clerk's Office will be completed soon, so they need to appropriate the rest of the money to pay for it. He said they only budgeted half of the cost in the 2007 budget because they thought the project would not be completed until next year. JP Wolf made motion to forward an appropriation request to the September 11, 2007 Committee of Thirteen meeting, seconded by JP Moore. Richard McComas noted that the money will be coming from the Circuit Clerk's fund, and no money will be coming out of County General. Motion passed by unanimous show of hands vote.

#### **3. Health Department: Siloam Springs Building**

Health Department Director Loy Bailey reported that they have found a building for sale for \$199,000 in Siloam Springs that will enable the Health Department to provide their normal level of service. The committee discussed other options and the level of assistance that has been offered by the City of Siloam Springs and other community organizations. JP Wolf expressed concern that the building they are looking at barely covers what they need right now, and will not leave much room for growth. JP Harrison

stressed that local communities should be doing all they can to support these efforts, since the services are being provided for their citizens. Loy Bailey stated that at some point in the future there is a possibility of combining with the St. Francis House Clinic in the present hospital site if a new one is built, but that is a long term plan. Treasurer Deanna Ratcliffe suggested the possibility of combining the Collector, County Clerk, Revenue Office, and Health Department into one location. JP Summers asked Loy Bailey to find out if the owner would consider leasing the space, and to continue to look at other options.

#### **4. AT&T Phone Equipment Payoff**

Richard McComas stated that the lease agreement on the county's phone equipment is up at the end of 2007, and contains a buy out option which expires in October. He said the lease is approximately \$4,800 per month, and the buyout amount is \$26,000. He said if they exercise the buyout before the end of the year, they will save \$3,500 in property taxes. JP Harrison made motion to forward an ordinance request to the September 11, 2007 Committee of Thirteen meeting, seconded by JP Wozniak. JP Summers asked if the equipment is technologically current. Richard McComas stated that there are no plans to switch to another system, but as with all electronics, they may come to a point where the equipment is not manufactured anymore. He said that exercising the buyout option will save them money. JP Wolf asked if there is a service agreement included in the lease amount which the county will have to pay for separately after they purchase the equipment. Richard McComas stated that he will check on that amount and get the information to them before the Committee of Thirteen meeting. Motion passed by unanimous show of hands vote.

#### **5. Sales Tax Numbers**

Richard McComas stated that sales tax receipts increased 11.05% with Bella Vista's receipts included, and this was the best month so far this year. He said he believes they will slightly exceed the projections for the year.

#### **6. Jail Collections**

Richard McComas stated that Jail Collections are still running behind, but are within the adjusted projections.

#### **7. Monthly Expenditures**

Richard McComas stated that budget amounts should be at 66% since we are two-thirds through the year. Richard McComas noted that the "Other Funds" percentage is slightly lower, partly because Health Fund expenditures have not been as high as expected at this time. He said that none of the accounts are particularly low or high, other than the JDC and Emergency Services, which is due to grant money being spent. He said there are typically several accounts in "Other Funds" in which the budgeted amount will go unused and be returned to County General at the end of the year.

## **8. Fuel Analysis**

Richard McComas stated that there are three reasons why the County Road Fund will need an additional appropriation—1) and ice storm early in the year; 2) we have changed the fueling method, and now own the tanks and fuel, and the start up costs will be higher until the fuel starts being charged to other departments; and 3) at the time they estimated fuel costs for 2007, fuel prices were dropping. He said that they not only did not continue to drop, but increased at a higher rate than they had in the previous year, which no one expected. He said they plan to use the total fuel costs for 2007 as a starting point in calculating 2008 budget projections.

## **9. Budget Calendar Update**

Richard McComas stated that he will be going over budget requests with Elected Officials and Department Heads from September 10 through September 28, and he and Treasurer Deanna Ratcliffe will be going over revenue numbers during the first week of October. He added that the Finance Committee will begin meeting weekly starting October 2, unless the committee decides otherwise. JP Summers stated that the committee's function will be to decide how much of the revenue will be spent on requested expenditures once all of the numbers are in.

## **10. Other Business**

Environmental Services Director Jim Ecker stated that County Judge Gary Black has asked him to coordinate the county's consideration of the purchase of the St. Mary's hospital complex. He stated that he has experience as an iron worker, served in the Air Force Reserves as a plumber and heating systems specialist, has worked as a carpenter and as a field engineer on several construction jobs, and has 30 years experience as a construction superintendent. He said the first consideration is whether or not the building can be renovated into a Juvenile Detention Center, because if it cannot, there is no reason to continue with consideration of the purchase.

Jim Ecker described the preliminary plans for remodeling the 3<sup>rd</sup> floor of the hospital for the JDC, and illustrated the modifications that will have to be made for each room. He showed the location of a secure entrance and exit hallway, the exercise area, the Juvenile court, and the Juvenile Probation offices. The committee discussed possible uses for other areas of the building.

Jim Ecker stated that they will need to select an architect to do a feasibility study. He said requested bids from several architects—one had no experience in jail or juvenile detention centers, two did not reply, one is South Build from Memphis, and the other is Hight-Jackson in Rogers. He said that South Build's bid was \$45,000, and while they do have extensive experience in correctional facilities, the Hight-Jackson bid was \$14,500, which will be credited back to the county if Hight-Jackson is awarded the contract. Jim Ecker stated that they are recommending hiring Hight Jackson because they are a local company and have experience working with the county.

JP Moore made motion to forward a recommendation to the September 11, 2007 Committee of Thirteen agenda that the county hire Hight-Jackson to perform a feasibility study on the St. Mary's hospital renovation, and to include an adjustment of \$14,500 in

the County Judge's Emergency Account in the year-end 2007 Budget Adjustment Ordinance, seconded by JP Wolf.

JP Wolf stated that Hight-Jackson was a highly reputable firm and she had no problem in hiring them. JP Moore stated that he agreed. The committee discussed the advantages of hiring a local company.

JP Hobbs asked if they should conduct public hearings before they go any further, and if they would want to proceed if there is great deal of objection to the JDC being located there. JP Summers stated that they would absolutely follow all of the regulations and procedures required by the City of Rogers.

Motion passed by unanimous show of hands vote.

County Judge Gary Black stated that all of the JPs who have assignments should coordinate with Jim Ecker, and noted that they have set up a room on the 3<sup>rd</sup> floor of the Administration Building where they can meet with him. He stated that if the report from Hight-Jackson is favorable and it looks like they will move forward with the purchase of the hospital, they may possibly come back to ask for additional money for a feasibility study on the outbuildings.

JP Summers announced that the next Finance Committee meeting will be Tuesday, October 2, 2007 at 2:30 p.m.

After motion and second the meeting adjourned at 4:07 p.m.